<u>REMARKS</u>

This Amendment responds to the Office Action dated January 11, 2005.

The Examiner rejected claims 1-22 and 24 under 35 U.S.C. § 102(e) as being anticipated by Zeng et al., U.S. Patent No. 6,505,299 (hereinafter Zeng). As stated in applicant's prior response, Zeng discloses a video encoding system markedly different from those disclosed in the present application because the system of Zeng encodes pixel arrays by transposing pixel coefficients without regard to the direction of the axis of packetization relative to the direction of transposition. The Examiner's position appears to be that the limitation of "transposition of coefficients occurring *only* along an axis orthogonal to said axis of packetization" reads on Zeng because *some* of Zeng's coefficients are transposed only along a direction orthogonal to the recited axis, even though Zeng does not limit transposition to that direction.

Accordingly, independent claims 1, and 8, as amended, include the limitation "transposition of coefficients <u>limited to a direction</u> along an axis orthogonal to said axis of packetization." None of the coding embodiments of Zeng disclose this limitation, as conceded by the Examiner in the present office action ("Zeng discloses re-arranging arrays *without limitation*")(emphasis added). Hence claims 1-14 are patentably distinguished over Zeng and should be allowable. Similarly, independent claims 15 and 22 includes the limitations "transposition of coefficients <u>limited to a direction</u> along the direction of said first axis" and "transposition <u>limited to</u> the direction of said first axis", respectively. Therefore claims 15-22 are also patentably distinguished over Zeng.

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In the same vein, claim 24 is distinguished over Zeng because that reference does not disclose the limitation "transposition of coefficients limited to a direction different from that of said axis of packetization." Hence claim 24 should be allowable.

In view of the foregoing amendments and remarks, the applicant respectfully requests reconsideration and allowance of claims 1-22 and 24.

Respectfully submitted,

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